

REGISTERED COMPANY NUMBER: 03782811 (England and Wales)
REGISTERED CHARITY NUMBER: 1080186

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2021
FOR
THURROCK COMMUNITY LEISURE LIMITED GROUP

McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

THURROCK COMMUNITY LEISURE LIMITED GROUP

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 19
Report of the Independent Auditors	20 to 22
Consolidated Statement of Financial Activities	23
Balance Sheet	24
Consolidated Cash Flow Statement	25
Notes to the Consolidated Cash Flow Statement	26
Notes to The Consolidated Financial Statements	27 to 49

THURROCK COMMUNITY LEISURE LIMITED GROUP

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2021

TRUSTEES	Chris Seamark Tunde Ojetola Wayne Warner (Chair) Garry Hague Barry Norrington Kameel Mohammed Juan Rangel Dr James Watson Jatinder Nahal	Resigned 22/09/2020 Appointed 17/12/2020
COMPANY SECRETARY	J N Tatchell Kay Volk	Resigned 28/09/2020 Appointed 28/09/2020
REGISTERED OFFICE AND OPERATIONAL ADDRESS	Blackshots Leisure Centre Blackshots Lane GRAYS Essex RM16 2JU	
TRADING AS	Impulse Leisure	
REGISTERED COMPANY NUMBER	03782811 (England and Wales)	
REGISTERED CHARITY NUMBER	1080186	
AUDITORS	McCabe Ford Williams Statutory Auditors and Chartered Accountants Bank Chambers 1 Central Avenue Sittingbourne Kent ME10 4AE	
BANKERS	National Westminster Bank PLC 17 High Street Grays Essex RM17 6NP	
SOLICITORS	Winckworth Sherwood Minerva House, 5 Montague Close LONDON, SE1 9BB	

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the group and charity for the purposes of the Companies Act 2006, present their report with the financial statements of the group and charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Purposes and aims

The objectives of Thurrock Community Leisure (TCL), as set out in its memorandum of association, are to run leisure facilities and services primarily for the benefit of the general public. TCL operates in a manner that does not discriminate against any person by virtue of their age, colour, race, nationality, ethnic or national origin, religion/belief, unrelated criminal convictions, gender, gender re-assignment, sexual orientation, marital status / civil partnership, or socio-economic status.

During 2020/21 TCL reviewed its strategy to reflect the effects of the Covid-19 pandemic, the pursuit of its mission was never more important to the community needs. The mission is 'Creating active & healthy communities'.

TCL's priorities include -

- Instilling pride in communities through training, education, improving the quality of life, youth engagement and increasing opportunities
- Contributing towards achieving safer communities
- Developing prosperous communities through the attraction of inward investment
- Promoting inclusive and diverse communities
- Promoting community regeneration through environmental and cultural improvements
- Delivering healthier, more active communities.

In order to fulfil its objects TCL manages four leisure centres at Belhus Park (plus the Golf Course), Blackshots (plus the Civic Hall), The Gym Hub (Wickford) and Corringham. TCL trades under an Impulse Leisure brand. The main source of income is from the sale of, health and fitness (gym and exercise classes) membership, golf, swimming and swimming lessons, a varied programme of events and entertainment at the Civic Hall.

The facilities are managed to maximise financial efficiency and generate surplus wherever possible. When surpluses are generated, 100% of the surpluses are used to maintain, improve, and extend the facilities and services provided for the benefit of the local community. Service improvements are used to generate improved efficiency, increase income and to improve the health and wellbeing of the community.

In shaping objectives and planning activities, the trustees considered the Charity Commission's guidance on public benefit, including the guidance on fee charging. TCL relies on external programme funding, but mainly the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the services for those on low incomes and those from other disadvantaged groups. As a result, significant pricing discounts are available to concessionary groups. In addition, special programmes and sessions are planned and delivered to help disadvantaged members of the community improve their health and wellbeing, through participating in relevant activities. Specific examples of work undertaken to target public benefit, sometimes at the expense of financial efficiency include employment of apprentices where possible, delivery of numerous health and mental wellbeing improvement programmes (often in partnership with others), offering free taster sessions, attending community events and provision of memberships to community groups working with disadvantaged communities.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Achievement and performance

Due to the restrictions and closures caused by the Covid-19 pandemic, income has been severely affected with an overall reduction of 82% against budget. This would have been even worse less the Government support grants, which were very limited for Leisure Trusts to apply.

However, costs have been equally controlled to a minimum and still operate the business. The overall running costs were reduced to just 28% of the budget whilst Central management costs were reduced by 52% of the budgeted amount.

Total attendance levels are not comparable to any year due to government capacity restrictions and general customer confidence levels which on the whole have been very positive at each stage of reopening. The inability to host large events or group sessions at any one time has also hindered our ability to increase attendances this year.

Swimming lessons (1-swim) numbers were maintained or frozen for most of the year despite the disruption outlined above. However, restrictions and low levels of qualified staff has prevented some classes restarting which has had a detriment to our overall swim lesson pupils.

Management and staff continued to do terrific work to maintain the service during the impact of Covid-19 which began in March 20 and has been ongoing, with membership income doing well at this time. Since the facilities closed a small team of management and admin staff have been working at home to preserve the business continuity, facility maintenance and security to ensure as far as reasonably practicable the services were up and running quickly once allowed to reopen.

The Government allowed leisure centres to reopen on 25th July 2020. TCL opened a week later with a reduced service at this point with all sites offering limited capacity (social distancing) gym and group exercise classes only. This was with a view to maximise income with minimal cost. In October, the main pools at all sites were opened again with restricted capacities and opening times. Initial signs of recovery exceeded the UK Active recovery modelling which was reassuring. However, further tier restrictions, followed by another National Lockdown prohibited this recovery. The National Lockdown lasted until 29th March 2021 for outdoor activities and 12th April 2021 for indoor except group exercise classes which remained closed. The catering facilities and functions had limited opening due to the restrictions.

TCL continued to improve and extend the services provided. In addition to normal essential planned and preventative maintenance there has been several refurbishment and upgrade projects and general service improvements most notably –

Blackshots and Clivic Hall

- Introduction of Covid safety measures including signage, sanitisation stations, online bookings, online classes, and protection screens.
- Thurrock Council completed boiler replacement, asbestos removal, and gas works improvements.
- Village changing floor tiles were regouted and deep cleaned
- Refurbishment of the turnstile entry points.

Belhus Park

- Introduction of Covid safety measures including signage, sanitisation stations, online bookings, online classes, and protection screens.
- Significant tree surgery has continued.
- £4,465 investment from TCL with £44,650 of external funding from a landfill tax company has been secured to enhance the changing, disabled and toilet facilities at Capability Brown.
- Automatic drowning detection (Poseidon) has been installed at Belhus Park.
- Redecoration of the Golf Clubhouse Boardroom into an extension of the onsite Nursery
- Creation of a new Golf Club Boardroom inside the Capability Brown Bar

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT - continued

Achievement and performance – continued

Corringham

- Introduction of Covid safety measures including signage, sanitisation stations, online bookings, online classes, and protection screens.
- Refurbishment of the both the male and female dry side showers.

The Gym Hub

- Introduction of Covid safety measures including signage, sanitisation stations, online bookings, online classes, and protection screens

General

- Cyber Essentials registration was maintained.
- New connectivity solutions through a new provider were installed across all sites. This work has reduced costs whilst maintaining speed, service stability and security.
- Work to replace the main file server which was based in Manchester to our cloud-based SharePoint and One drive platform has reduced cost, improved functionality and flexibility.
- Work to comply with HMRC demands to 'Making Tax Digital' is ongoing, an extension to the deadline due to Covid and the delays in obtaining a new VAT registration has been requested. More detailed work is ongoing to meet the increasing technological demands, which require tax coding on expenditure and income to be correct at source and digitally sent to HMRC without manual completion of data.
- Extensive customer and staff communications have maintained a constant level of support and free flowing information during lockdowns and reopening.
- Branded, targeted, and themed campaigns have been used across all marketing collateral and socials continuing the promotion of our unique selling points, differentiating TCL from the increasing competition at key reopening points throughout the year.
- The track and trace and capacity restrictions has required all activities to be booked in advance including customer details. We therefore introduced a new activity registration scheme for all non-members, which in addition to the track and trace gave them access to our App for bookings. The Impulse Leisure App which has had over 27,000 downloads enabling customers to easily book and pay for activities conveniently online as well as access other important tools including their Mywellness portal, swimming lesson portal, Mental Health advice, Online classes, @home activities and workouts as well as general updates on the services as guidance changed.

The above improvements demonstrate TCL's commitment to continuous improvement despite forced closures and limited reserves. These improvements make the facilities and services more attractive to new customers and obviously increase the value for money existing customers receive. Increasing value for money and more attractive facilities improve the likelihood that more of the community will seek to improve their health and wellbeing by using the services. As such TCL succeeds in its mission of 'Creating Active & Healthy Communities'.

With the work recently completed at the facilities, we are very proud that TCL has now been able to reinvest more than £10m in leasehold improvements and services (this figure excludes the significant investment in gym equipment replacements), all of which have been a great advantage to improving the accessibility and appeal for the community to live a healthy lifestyle. This demonstration of continued reinvestment highlights the tangible benefit for all by operating the 'charity model' to deliver local leisure services. Alternative solutions or service delivery models are unlikely to be able to reinvest these kind of sums, as there would have been potentially other priorities for the money, i.e., shareholder/owner profit, other council services (general fund), or investment in facilities outside of the Borough.

In addition, all services provided by TCL are available to all, including spectators, casual pay and play users as well as members. All prices remain competitive and reflect the community needs. We also offer significant concessions to those most in need, including heavily discounted or free membership, with at least 50% discount on most activity prices.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Achievement and performance – continued

All the facilities operate quality management systems to ensure the level of service provision is delivered consistently. Our systems are normally externally audited and endorsed by the leisure industry quality standard (QUEST). The sites have had their reassessment dates extended due to Covid-19 whilst still maintaining QUEST registration in the Very Good (Belhus Park and Corringham) and Good (Blackshots) categories following maintenance and unannounced visits and or full 2-day audits. The Gym Hub in Wickford only has a 1-day assessment and is registered with QUEST.

Customer safety is our primary objective and one we take very seriously; this year saw the final installation of the Poseidon drowning detection system at Belhus Park. This completes our goal to make every deep-water pool in TCL among the safest pools in the Country with every main pool covered by these fail-safe systems.

Due to the number of closures, we have not run our usual Customer Satisfaction surveys. However, the customer support and feedback via social, direct feedback and support to our just giving page have been overwhelming. Our returning customer number have exceeded the UK active modelling on each reopening. On reflection we have seen significant positive comments on the new Covid safety measures put in place as well as the increased cleaning regimes and staff attitude and support. Sport England as part of the National Leisure Recovery funding conducted a customer satisfaction and customer confidence survey in April 21 which was collated and benchmarked across the country.

TCL continued to operate several successful health programmes where restrictions have allowed this year.

At present TCL are contracted to receive funding from Thurrock Council regarding health referrals (approx. £76,500). This work includes some of the **Community Health and Wellbeing Improvement programmes** outlined below –

- **Exercise On Referral (EOR)**

This Public Health commissioned project has been hindered this year by the Pandemic, but we managed to run throughout the last quarter receiving fantastic feedback from those who attended. The project covers a range of both preventative health interventions and rehabilitation for those suffering from long term health conditions. The health conditions included, Cancer, Parkinson's, Stroke, Muscular Skeletal, Coronary Obstructive Pulmonary Disorder (COPD), Cardiac rehab, Diabetes, Obesity with Co morbidity, Mental Health and Wellbeing. Referees were from multiple partners including the NHS and GP's using the Council's Healthy Lifestyles service as well as Social Prescribers.

Over 110 people were still referred during the limited opening to a twelve-week monitored and supervised physical activity and advice programme.

- **Tackling Holiday Hunger Provision**

This year has seen the introduction of the 'Grub Club' tackling holiday hunger and inactivity. This multi-agency project targeted families that would normally receive support via free school meals. The project consists of 1hr of physical activity followed by a healthy nutritious lunch during school holidays. Due to the pandemic the partners created a revamped approach bringing more partners and agencies together to provide donated food parcels, activity booklets, recipes as well as online activities and access to a local Chef. We hosted and physically delivered many of the parcels to these families that had transport issues or were shielding. We would like to thank all the partners involved in this co-ordinated project helping over 100 families in Thurrock. Any food parcels unallocated were donated to the homeless shelters, women's refuge, and children in transition out of care.

- **Cancer Pre/Rehab pilot**

The lockdown created an appetite for creative solutions to delivering health projects whilst patients remain at home shielding or self-isolating. Using the advancements in digital communications we created a pilot programme to deliver virtual prehab classes using our qualified delivery team to provide interactive movement classes direct to patients' homes across the whole of Mid and South Essex. These classes are aimed to improve their physical and mental capabilities in preparation of forthcoming treatments. This future pilot will run for a 3-month period with every diagnosed

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Achievement and performance – continued

Cancer patient being referred to the scheme for either prehab or rehabilitation. Together with the expertise of our instructor team we are also using the technology from MY Zone that monitors the heart rate of the participant and enable the instructor to control the effort levels of the class in real time. This ground-breaking pilot is one of the first on the Country.

Most of the above programmes aim to increase physical activity levels, targeting health improvement in the community. This all fits perfectly with TCL's mission 'creating active and healthy communities'. The staff who deliver these schemes and programmes are often highly praised by the customers.

Sport England have released the results of their latest Active Lives survey which measures the percentage of adults (16+) meeting the Chief Medical Officers recommendations for undertaking recommended amounts of physical activity. The data shows that between mid-May 2019 and mid-May 2020, just over six in 10 adults (28.6m) achieved 150+ minutes of activity a week. Thurrock specific result in 51.1% of the population that equated to a reduction of 5.2% for the same period last year. The effects of Lockdowns clearly demonstrated the reduction in being physically active within the Borough. This decline is yet further demonstrated by the increase of total inactivity (Less than 30 Minutes a week) rising from 30.7% to 36.4% against the previous year.

The Thurrock Sports and Physical Activity Awards were postponed this year due to restrictions but plans for a 2021 award ceremony are hopeful.

Health and safety improvements continued throughout the year through the constant reviewing and developing of policy and procedures monitored by the Health and Safety Management Committee. Accident numbers for the year were minimal due to the reduced opening days with no major accidents or incidents to note. All accidents and incidents are still recorded via STITCH which also compares our average with the National rate.

At 45.8%, staff turnover has remained above the target of 20%. This is in part as a direct result of the pandemic. TCL during the months April through to December 2020, had to make a number of compulsory reductions to the workforce due to uncertainties around future funding and predicted closures, which subsequently, particularly around the operations of the Civic Hall, have proven to be the right course of action. Several voluntary resignations and retirements have been as a result of the pandemic, including those who have moved out of the area to be closer to family who live across the country.

Generally, high staff turnover leads to staff shortages, service disruption and continuity issues. The areas hardest hit has been lifeguards, fitness instructors, with a general shortage of instructors (swimming, fitness, and classes). The ongoing recruitment and training of new staff takes up considerable management time.

During the course of 2020/2021, 12 remaining learners and apprentices are approaching the end of their work-based learning programmes and will be retained in permanent employment, with a broad skill set covering the areas of lifeguarding, reception, fitness instruction, level 1 and level 2 swimming teaching, and improved and enhanced skills in the leisure duty management teams across all sites.

Our apprenticeship programme is delivered in partnership with an industry leading training provider (Creative Sports and Leisure (CSL)) forging great links with the Chartered Institute for the Management of Sport and Physical Activity (CIMSPA).

Thurrock Community Leisure is an Employer Partner of CIMSPA with a commitment to ensure relevant staff are members of the professional institute in future. Generally, duty manager level and above and the majority of fitness instructor teams have been enrolled as CIMSPA members. Staff have access to over 2000 hours of online training, suitable for undertaking the required CPD relevant to their membership category and an identified career pathway, showing how career progression can be pursued.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Achievement and performance – continued

Sickness absence, during the course of 2020/2021 is exceptionally low at 0.4%. The only absences recorded are those who were expected to be working (not furloughed). This unprecedented low absence rate is again contributable to the majority of employees being furloughed for the majority of the financial year during several months of mandatory closures. Of the 0.4% absence rate, 0.2% of these absences were covid-related, including any requirement to self-isolate in line with Government guidelines.

We continue with the Staff benefits platform at the specially discounted rates through Westfield Health for all employees with regular/contracted hours. The platform provides direct access to a GP, and a range of mental health and well-being support to employees. In addition, there are all-year-round benefits through discounts and promotions at high profile national retailers, restaurants, and other popular organisations

There has been continued progress on Thurrock Council's capital expenditure programme both on identified and urgent work and in compiling a list of ongoing work developed from work carried out by property consultants assessing the priorities. Thurrock Council undertook replacement of the boiler plant at Blackshots during the enforced Covid closures.

Thurrock Council this year launched both the Playing Pitch Strategy and the Leisure Facilities Strategy, the new Strategies launched in July 2020 will be supplemented by work undertaken by KKP consultancy who are providing Thurrock Council with a feasibility study on the replacement of Blackshots Leisure Centre and Civic Hall. This work was due to be completed by June 2021.

Financial review

The budget in 2020/21 was set and agreed by the Board of Trustees before the Covid-19 Pandemic and therefore reflects the anticipated growth in income against the 19/20 results. The budget included the anticipated introduction of the new Rochford Gym Hub which contributed to the forecasted increase in costs across a number of headings which resulted in the predicted year end loss of £324,059.

This unprecedented year endured three forced Lockdowns which resulted in zero income for these periods. The reactionary result of turning off the Direct Debits mid-month created a series of credits which significantly affected the first few months of reopening. In addition, consumer confidence was weakened, and many remained frozen after the reopening of each stage. This damaged our return rate but increased the potential to retaining these members until they were comfortable to return.

The Management team proactively sourced and applied for all available funding sources that the organisation was eligible for, with many of the applications being successful. This increased the level of income to assist in mitigating the fixed and unremovable costs.

During each lockdown, the marketing team created a series of donation campaigns through the Just Giving platform, where members could donate their membership fees or whatever they could afford to help the sustainability of their local Leisure Centre. We were delighted with the response, with a large number of members sending positive comments and donations. The financial impact from these contributions were extremely helpful but unfortunately not significant in the reality of ongoing costs.

The decision early in the year to not progress the Rochford Gym Hub project assisted in reducing anticipated the costs by removal of all set up costs and early operational losses.

The collapse of both Impulse Leisure Holdings and Adur Community Leisure resulted in:

- The loss of £365,552 loan and associated interest from Adur Community Leisure
- The solar investment income loss of £6,000 from Chanctonbury (ACL)
- £30,000 Head Office loss of rental income from Impulse Leisure

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Financial review - continued

The direct result of the Holding Company collapse did however, enable significant reductions in Central Management and Administration costs.

Due to the challenges outlined above, income was down on budget by £4,901,658 (81.6%). Despite the challenges both Golf and The Gym Hub generated a small surplus.

The effects of the Covid-19 Pandemic and subsequent closures meant income generation was very difficult, it has therefore been a year of damage limitation through funding support via Grants and Loans and reserves. Despite the successes in customer retention, Grant and loan applications and restructuring, an operational loss of £1,271,445.

These losses were managed by use of company reserves, tight management control on cash flow and support from Government, Social Investment Bank (SIB) loans and grants and use of the Coronavirus job retention scheme.

Since 20th March 2020 all the Centres were closed due to Covid-19. They reopened with a limited service on 25th July 2020 as described above. Whilst closed there was effectively zero income, whilst ongoing costs were incurred to maintain the sites' security and keep the business running. Although 95% of all staff were 'furloughed' using the Governments Corona virus Job Retention Scheme, the ongoing costs amounted to circa £100,000 per month. Reserves were reduced through this period. Applications for SIB loans and Grants were both successful. National Leisure Recovery Fund application had also been submitted in conjunction with Thurrock Council support. Additional grants by way of Local restriction support grant were received from both Thurrock and Basildon Councils.

The 5-year corporate plan will need to be reviewed to reflect the impact of Covid-19 on the Business. Increased control on cash flow will ensure business continuity.

The above financial outturn was also affected by the backdrop of fluctuating confidence in the UK economy, much of which stemmed from ongoing negotiations in Europe regarding Brexit. Significant negative effect is also being experienced since March 2020 from the UK's response to the Covid-19 virus. However, unemployment (possibly disguised by the Furlough Job Retention Scheme) and interest rates remain low. The Leisure Industry expects to lose at least 60%-70% of its Membership base before recovery is implemented.

Leisure Centres –

Disruptions to service due to lockdowns and forced capacity restrictions have affected attendance numbers in all areas of the business. Nevertheless, there has been a positive return rate following each reopening which has performed above industry averages. Golf attendances have also been positive reflecting the limited options for people to undertake a sporting activity during lockdowns.

Office and Cottage Rent –

Cottage rental was maintained as both properties were occupied throughout the year. Room hire income increased at Capability Brown due to the old café and Golf shop areas being used by long term hirers.

Golf Shop and Bar –

Again, due to the closures, income from the shop was down significantly on previous years, The reduced income was also coupled with additional expenditure related to grounds maintenance, including extensive tree remedial works and pest treatment. Due to the reduced service specification during the lockdown periods the Board agreed to revise the Service Level Agreement. This resulted in a small loss for TCLT.

Civic Hall –

The Civic Hall has been closed as an event venue for the whole year, except a few hirers which were exempt from the restrictions. This included hospital rehabilitation treatments delivered by Hospital Physiotherapists and a local movie production which used the Hall as welfare facilities for the cast and crew.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Financial review - continued

Expert advice has been retained with a view to improving the current position with TCL's admission into the Essex County Council (ECC) Local Government Pension Scheme (LGPS). Negotiations have been delayed with Thurrock Council and ECC regarding changes to TCL's Admission Agreement into the LGPS, with the aim of reducing risks associated with the existing scheme due to Covid-19.

Principal risks and uncertainties

The trustees and senior management undertake an annual risk assessment process and report on this to the full board. The overarching issue to the future, is the short and medium term impact of the Covid-19 virus and the resultant closure of all leisure centres across the UK including TCL's. Although there is business interruption insurance in place to cover incidences that might restrict access to a site (fire, flood, etc), this does not, so we are informed by insurance brokers, cover pandemics like Covid-19. As such there is a major financial impact from the ongoing closure. TCL maximised the use of its reserves to deal with the immediate financial crisis, awareness and successful applications for all support funds coupled with tight cash flow measures ensured a positive bank balance throughout the year.

The other main risks identified include building failures, the LGPS deficit including admission agreement issues (see above), health and safety, staff and Trustee shortages and increasing staff costs (see section below), ongoing economy uncertainty (Brexit) denting consumer confidence, local politics and increasing competition. Ongoing negotiations with Thurrock Council and our own improved maintenance and servicing contracts are used to ensure that buildings and or plant are less likely to fail in such a way as to cause service disruption. Business interruption insurance is also in place. The potential for major health and safety issues to arise is taken seriously and as such TCL have a comprehensive policy and manual covering health and safety, monitored at the highest level, with Trustee involvement at bi-monthly bespoke meetings and again at Board meetings. Staff are also involved in the risk assessment process and everyone in the organisation is aware of the health and safety mission of 'everyone safe every day'. Constant improvements to service and increasing value for money is the main strategy in use for dealing with competition. Marketing and promoting our unique selling points and differentiating our service from the competition has been an increased focus. Local politics have the potential to change, so developing good relationships with senior staff at Thurrock Council and working with them to add value to the whole range of council services raises the profile of TCL and its importance to the community. There has been a number of initiatives listed elsewhere regarding staff recruitment and retention.

The trustees are satisfied that adequate processes are in place to mitigate the key risks faced by the charity.

Funds

The group has returned a deficit of £1,271,475 (2020:£289,830). The accumulated reserves for the group amounted to £1,089,234 (2020:£2,916,708), including restricted funds of £560,870 (2020:£Nil) and unrestricted funds of £528,364 (2020:£2,916,708).

Reserves policy and going concern

The Reserves policy for TCL is formulated to ensure the continuation and improvement of its services, for the benefit of the community and as a safety net in the event of short-term income shortfall. The services are run from various centres, which need to be regularly maintained and updated to continue to provide excellent standards of service. Therefore, reserves required are allocated into two types –

Operational Reserves –

Are held to ensure TCL can meet expenditure commitments in the short term, whilst actions are put into place to overcome any income shortfall.

We have risk strategies, insurance and contingency plans in place, to mitigate risks. However, the pandemic proved that not all risks can be identified or insured against.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Reserves policy and going concern – continued

Prior to recent pandemic, the thought was that, as centres are all in different locations, it was unlikely that problems in one centre will have a direct impact on the remaining centres. Therefore, the centre with the largest income and expenditure (Blackshots) was used to calculate the reserves required to meet commitments for half a year. However, the Covid 19, showed that we need to have reserves in place to take into account all centres being closed at once, for a short period of time.

The global pandemic is most unusual of circumstances, and risk strategies cannot take into account every known and unknown eventuality. With the global pandemic, the government stepped in and provided resources such as furlough, lockdown and restart grants. During the period of lockdown, with all sites shut, the cost base was also reduced. The results of the past year showed TCL requirement to cover overheads whilst centres closed was £100k monthly, as government furlough support was available.

The reserves policy should therefore account for all expenditure, including staff costs previously supported by furlough scheme, as this may not be available in future.

The reserve policy for TCL should provide resilience to keep going till support is available and/or give time to put alternative action in place.

Therefore, TCL will continue to build up, the now depleted reserves to 3 months costs for all sites when closed, with a further £250k facility improvement or contingency cover.

The Reserves policy requires 3 months total costs for all centres when closed which is £756k based on 21/22 budget. With reserves now depleted as a result of the pandemic restriction closures, TCL need to build up free reserves to cover 3 month expenditure, based on all centres being closed. The aim would then be to try and increase this by another £250k over a period of 5 years.

We continue work to improve our main source of income i.e. membership by continuous monitoring and strengthening customer base and customer journey. TCL are also building on our online platform, in order to provide some level of service if future restrictions close sites.

The team continue to seek new opportunities, funding and income streams to help diversify income in order to facilitate improvements and take up opportunities to further our objectives.

Facility Improvement and unexpected opportunity reserve -

The day-to-day operational budget does not set aside any reserve for improvement, or major capital commitment. As such reserves are required to ensure funding is available to continually improve the service (property, equipment, and technology) in this very competitive industry, to enable compliance with ever-changing legislation and to take advantage of other unexpected opportunities that may arise during a year. Improvements to Blackshots changing rooms is a current example of using these reserves to update and improve efficiency/service.

To expand the services, we can offer to more beneficiaries, TCL may wish to acquire new business either through tender, acquisition or development of new premises and the proposed purchase and refurbishment of Rochford Gym Hub was a good example of this that unfortunately did not happen. This is made possible when reserves are in place to support the exploitation of such opportunities as they arise.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Facility Improvement and unexpected opportunity reserve - continued

Since reopening TCL has been working hard to get business and income back as quickly as possible, whilst remaining understanding and sympathetic to our client's readiness to return. Expenditure will continue to be closely monitored whilst income is rebuilt. TCL actively seek new opportunities, funding, and income streams to help diversify income in order to facilitate financial robustness and take up opportunities to further its objects.

The board of trustees has taken into account the ongoing uncertainty caused by Covid-19, the current reserves position, together with the existing financial performance, forecasts for the future, cash flow forecasts, the main risks facing the organisation and ongoing negotiations with Thurrock Council. Assuming customer behaviour is in line with expectations, and there aren't any further spikes in Covid-19 which result in enforced lockdowns, then it will meet its liabilities as they fall due. Accordingly, whilst drawing the reader's attention to the underlying uncertainties that the Covid-19 pandemic has caused, the trustees are confident that TCL will continue as a going concern.

Plans for the future

The immediate plans have to be to deal with the recovery of the business following the Covid-19 virus pandemic. Forecast Budgets are based on industry predictions, history, customer feedback and surveys and a deep understanding of the business. They were however reliant on remaining open which may not to be the case and reforecasting will be undertaken regularly to reflect the current position if this happens. The cash position has been recovered sufficiently to cope with short closures should they arise without Government support. The aim will be to maximise the income from the reopened facilities as soon as possible measuring this against where we would have expected income to be on a month-by-month basis. When income reaches a monthly target within the original budget TCL will be able to assume that it has recovered. How soon this occurs is difficult to answer as the Government's current roadmap continues to change. Whilst income is recovering expenditure will have to be closely controlled and monitored on a daily basis.

There has been a phased reopening of facilities and services and lifting of restrictions to enable compliance with ongoing needs for social distancing measures and enhanced cleaning regimes, whilst minimising costs but maximising income.

To keep as many customers engaged during this recovery phase with limited capacity, alternative digital (at home) membership options are being offered.

The Corporate Plan 2020/26 anticipated a deficit for 2020/21 of £128,000, due to the opening of a new Gym Hub during the year. However, at the time of the 2020/21 budget setting, due to the actual anticipated opening time of the new Gym Hub the losses were budgeted in the Annual Plan at £324,000. As mentioned above the new Gym Hub project has been cancelled, however the budgets do not reflect this decision.

The Annual Plan focuses on key recovery areas as well as continuation of the development strategies previously in place. With all major crisis comes opportunity and TCL are planning to consider each new option as it arises. The long-term uncertainty cannot be ignored and therefore the 5-year corporate plan will need to be reviewed in line with the current recovery progress.

TCL's positioning in the new post Covid-19 marketplace will need to be reassessed during 2021-22. Over recent years the increased competition has resulted in difficulty in achieving increased income and in turn improved surplus. This may well continue to be an issue, along with changing exercise habits brought about by the growth in digital offerings, which TCL need to compete with as outlined above.

It is envisaged that financial recovery (income) may take up to 12 months. At the same time, it is envisaged that increasing staffing costs due to NLW increases will continue. As such the budgets for 2021/22 will continue to ensure a tight ship approach to all costs and remain conservative in income growth. A second round of National Leisure Recovery Fund is being discussed by Industry Leaders and Government, which would be additional to any budgeted figures. Negotiations around a new modern contract/agreement with Thurrock Council will continue as part of the agreement to receive the first round of National Leisure Recovery Fund.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Plans for the future - continued

The ACL loan amounts have been written off due to their Creditors Voluntary Liquidation caused by Covid-19. ACL unfortunately entered into insolvency in July 2020 and as such TCL was not successful in recovering any of this loan following the sale and disposal of ACL's assets.

Although closures have been the major factor affecting income, the recovery of income and projections post Covid-19 have had to be tempered by the continued uncertain nature of the economy, mainly related to Covid and Brexit resulting in a lack of consumer confidence, increasing public sector austerity (arising from Covid-19) and the perceived inability to increase prices. Headline membership prices have largely been frozen at existing rates for the last 6 years.

In response to the difficulties in recruiting staff we will continue to use and attract Apprentices and train unskilled potential employees improving and extending the associated career development learning programmes to as many staff and local people as possible. This together with the CIMSPA membership and ongoing training will enable more staff to complete the requisite amount of CPD as well as relevant qualifications appropriate to their roles and future progression. This ensures more staff are undertaking relevant training to their career aspirations and the business need, which in turn should improve staff retention and customer service.

Community Health and Wellbeing

The more opportunity created for people to be physically active increases the positive impact TCL has on Thurrock's 'health and social issues'. Many of these issues have been proven to be improved by exercise. Indeed, Central Government and Public Health England (Physical Activity Framework – Everyone Active Everyday), supported by UK Active, have been consistently raising the profile of the benefits of physical activity, versus the associated costs of inactivity on the National Health Service (NHS). There are potential opportunities within the new NHS 10-year plan, some of which focusses on prevention of ill health, part of which includes physical activity in promoting physical and mental health. TCL will work with local health commissioners, social prescribers, and others to develop new programmes to improve community health. These programmes may also include social and cultural related activities. TCL will consider providing these services without the benefit of external support funding.

TCL operate several successful health programmes. In line with Government and Sport England Strategy on increasing physical activity levels, we will expand our programmes to deliver increased physical activity opportunities to more of the community including children and hard to reach groups.

At present TCL are contracted to receive funding from Thurrock Council regarding health referrals. Through work with Active Thurrock, we would hope to expand this work along with a number of other potential community health and wellbeing improvement schemes. As a minimum continue to successfully deliver the existing schemes outlined above.

TCL will continue to work with Thurrock Council to implement a GP referral scheme for general populations, in addition to the targeted programmes for those referees with existing health conditions. TCL will fund this programme and seek endorsement from Public Health, so that the scheme can be promoted to all local GPs. The aim would be to increase referrals and increase revenue from retaining referees as future members. At worst, the scheme would be cost neutral in future but would be an additional method of attracting member prospects from groups unlikely to react to our existing marketing, increase opportunities for doing physical activity in the medium term, and improve community health and wellbeing in line with our mission of creating *Active & Healthy Communities*.

TCL will work to establish some agreement about how the new Leisure Strategy will be integrated into decision making in future, including establishing our place as the operator of choice within that strategy. Bringing solutions and funding options to the table is a line being pursued at present. A costed option is being developed and presented to the Council during 2021.

Review and relaunch our concession schemes targeting to increase the reach into the target group of those on low incomes, increasing numbers by 20% over existing numbers noted at the end of March 2021.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Plans for the future - continued

Main facility related works will centre around the following improvements or investigations including –

Blackshots

Refurbishment of the wet changing area in conjunction with Thurrock Council

Belhus Park

- Work with Thurrock Council and others to deliver a 3G full size football pitch, and where possible including enhanced or new –
- Bar and catering facilities (Capability Brown)
- Changing provision
- Cricket facilities.
- Progress the 'sale' of unused land to fund some of the above

Civic Hall

- Kitchen Floor replacement costing
- Investigate disabled access provision to Green Rooms and stage.

Corringham

- Continue to prioritise the Pool Plant renewal with the Local Authority

General

- Develop remaining viable LED lighting schemes into a project and seek external funding contributions to the costs. If external funding achieved, implement the schemes.
- Making Tax Digital – continue work to ensure compliance

Customer satisfaction scores and QUEST will be maintained at all applicable sites. In addition, as an internationally recognised measure of customer satisfaction we will assess the costs of introducing a closed loop Net Promoter Score (NPS) system. If implemented in the introductory year we will set a benchmark score for each site which we will then set future targets for improvement from.

As part of the National Leisure Recovery Fund monthly reporting through the Active Communities platform will create benchmarking both locally and nationally. User surveys undertaken will also be benchmarked with industry averages. These results are naturally shared with the Local Authority to improve transparency and demonstrate our impact within the community.

Health and safety management will continue to be a priority, constantly reviewing and developing new policy and procedures making at least 10 safety improvements during the year.

The viability of local expansion, other smaller trusts and other business opportunities will continue to be assessed on a case-by-case basis. Through on-going networking and industry knowledge, TCL will continue to identify business opportunities, or other trusts or organisations that might benefit from collaborative working. In addition, TCL will continue to seek to expand operations in the Southeast keeping in contact with those businesses / authorities / organisations / schools that are changing the way they operate. This would benefit TCL as overhead costs would be reduced, as they are contributed to by additional group members.

TCL will continue to work on its swimming development action plan with a view to recovering lesson and swimming attendance and income back to March 2020 figures.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Governing document

TCL is controlled by its governing document, a Memorandum and Articles of Association and is constituted as a limited company, limited by guarantee as defined by the Companies Act 2006. TCL is a registered charity.

Appointment of trustees

TCL is governed by a board of up to 11 trustees. The board of trustees (volunteers) are drawn from all sections of the local community. Once appointed, trustees act in their personal capacity in the best interests of TCL and do not act as representatives of the body that nominated them.

The board is made up of the following categories of trustees, which are fixed in the articles:

- Independent trustees x (up to) 8
- Local Authority elected trustees x 2
- Employee elected trustees x 1

Thurrock Council nominates two trustees to the board annually, although for continuity Thurrock Council has in the past proposed that the same councillors continue to be trustees of TCL whenever possible.

Should there be a need to attract new trustees to the board, then the membership of TCL can be consulted to put prospective trustees forward, in addition adverts are placed at the sites and in appropriate media including various websites.

The trustees appoint new members and trustees at board meetings and may appoint any person willing to be a trustee in seeking to provide a broad range of skills on the board.

All trustees will hold office for a maximum of three years before retiring. Upon retirement, the other trustees may re-appoint him/her or another person. At each Annual General Meeting (AGM), the greater of three and 33% of the longest serving trustees shall retire but may be re-appointed unless the vacancy is filled.

Each trustee guarantees to contribute an amount not exceeding £1 to the assets of TCL in the event of winding up. The total number of such guarantees at 31 March 2021 was 7 (2020 - 10).

The trustees have no beneficial interest in the TCL. As a charity, TCL is a non-profit distributing organisation. Therefore, members or trustees do not receive any dividend, as 100% of surpluses must be invested to pursue the charitable objectives of the company.

TCL is a community organisation working with Thurrock Council (TC) and other organisations, to provide leisure and cultural opportunities within the Thurrock area and its neighbourhood. TCL came into existence when Thurrock Council transferred leisure and cultural services to TCL on 10 January 2000.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of trustees – continued

The trustees have overall responsibility for the organisation and its efficient operation. However, as volunteers the trustees appoint a Managing Director (MD, Karl Hayes), to whom they delegate responsibility for undertaking the work that is required to ensure that the organisation is operated efficiently, and in accordance with its objects. The trustees have agreed a delegated authority framework, which sets out the responsibilities of the trustees and management. In addition, the trustees are aware that they have expert advice available to them from their auditors, legal advisors, bank and health and safety advisors. The trustees use the 'Charity Governance Code' as a framework to govern TCL in line with best practice principles.

The effects of Covid-19 on Adur Community Leisure a Group subsidiary resulted in insolvency, consequently this reduction in Holding company contributions resulted in the demise and insolvency of the Holding Company. TCL absorbed under a TUPE transfer the key personnel required to offer a reduced Central service to operate a smaller organisation. This significantly reduced the central service costs in line with the business need.

Trustee induction and training

The trustees have agreed a Governance Manual, which provides information about TCL, including its history, structure, governance, legal standing, agreements with related parties, procedures at meetings, shared contact information, information about being a trustee (Charity Commission) and other sources of information.

Once appointed new trustees are inducted by the Managing Director and Company Secretary using the governance manual as a guide. The updated manual is available to Trustees on an ongoing basis in an electronic format, using a shared protected file.

Occasionally training is provided to the trustees as a group, in the past this has included governance, risk analysis and financial responsibility training. In addition, individual trustees are encouraged to attend training provided by auditors and legal advisors on a range of subjects.

The trustees carry out 'spot checks' using internal control procedures and audits developed to cover the main financial and employment risks identified by the organisation. The trustees aim to carry out all of these checks on an annual basis.

Related parties and relationships with other organisations

During 2020/21 TCL was a subsidiary of the Group Parent Impulse Leisure (IL); IL being a non-profit-distributing-organisation. TCL bought its senior management, administration, finance, human resources, support, marketing and development function from IL and an Intra-Group Agreement governed this arrangement. TCL appointed two of its own trustees to be trustees of IL. Trustees of IL have no beneficial interest in the Group, TCL or TCL Trading Limited (TCLT).

TCL has a wholly owned subsidiary company known as TCLT. TCLT operates a golf shop, grounds maintenance function, bar, and catering operation at Belhus Park. Directors of TCLT are appointed by TCL. The directors have no beneficial interest in TCLT, the Group or TCL. All surpluses generated by TCLT are gift aided back to TCL and this arrangement is governed by a deed of covenant.

Another charitable subsidiary, Adur Community Leisure was part of the IL Group during 2019/20. ACL entered Creditors Voluntary Liquidation on 27th July 2020 and as such the intercompany agreement between ACL and IL was terminated on that date.

As a consequence of the ACL liquidation IL was not in position to continue to provide services to TCL and by agreement the intercompany agreement between IL and TCL was terminated on 31st July 2020. As a result, TCL is no longer part of the Impulse Leisure Group. Some IL staff transferred to TCL to provide direct management and support services for TCL.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel

TCL has a Remuneration Policy which is a Group policy. This policy is posted on the website no more than two clicks away from the home page.

Whilst TCL remuneration is generally competitive within the leisure industry, it does not compete on pay with other industries. Leisure remains a low pay industry.

TCL is committed to ensuring a proper balance between paid staff and others who work for it so that only the best people are recruited and retained.

When determining the salary for a post, TCL will collect information about comparable roles where possible, preferably within the Leisure sector. This information will be used to benchmark TCL salaries, normally aiming to set them at a level that appears to represent the market / local area. TCL will also seek advice from peers within other organisations where they employ people in similar roles. To this end TCL benchmark with other southeast leisure centre operators (SELCO) and Community Leisure UK (CLUK) the sport and recreation trust association. CLUK represent charitable organisations who provide leisure and cultural services.

All posts meet the minimum requirements in respect of the National Minimum Wage, which is reviewed and amended where required in April each year. All employees (except apprentices) working for TCL will be paid above the National Living Wage (NLW) of £8.72 with effect from 1st April 2020, this is regardless of age. This action is designed to help improve, the current poor staff turnover, recruitment, and retention.

Salaries for the majority of posts will comprise a band made up of a series of salary points. Other posts have a flat rate salary. All salaries are openly stated in job adverts.

Post-holders can progress up to the next salary point within their band around the beginning of each new financial year, subject to having received a satisfactory annual appraisal (Development and Review Time (DART) and performance assessment) and having achieved their key performance indicators for the year. Following the annual appraisal (DART), an employee's manager will make a recommendation to the Managing Director as to whether a progression up to the next band has been merited.

Annual Pay Award and Adjustments - During the budget setting process (in around November/December) each year, for implementation in the following new financial year (April), the senior management team will consider whether the salary points for all staff should be adjusted for the forthcoming financial year beginning 1st April, to reflect changes in the cost of living.

The considerations will begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12-months. Further consideration will then determine whether this is appropriate in the context of: -

- i. TCL's financial situation – can it afford the CPI linked increase and is it sustainable?
- ii. TCL's performance – have KPIs been met?
- iii. Previous pay awards made in recent years
- iv. Pay reviews elsewhere – how might a failure to follow wider trends be perceived amongst staff, within peer organisations
- v. Overall affordability and sustainability – can TCL realistically afford it now and can it sustain it moving forwards?
- vi. TCL's ability to attract and retain suitable staff in sufficient numbers to deliver a consistent service level.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Remuneration policy for key management personnel - continued

Based on the above, the management team will make a recommendation to the trustees to approve any annual pay award/budget. If approved, annual pay awards will normally be applied equally to all staff including senior managers. In April 2020, most staff were to benefit from a minimum 2% pay increase however this was not applied due to the Covid-19 issues.

The Managing Director has the responsibility to make any ad hoc decisions regarding salary changes for any position/post holder. Any decision/s regarding the salary of the Managing Director and senior managers will in future be made by the TCL trustees. The Senior Management Team does not have delegated authority in matters relating to their own remuneration, and any recommendations or decisions must be ratified by the trustees prior to implementation.

By nature of previous arrangements (TUPE transfers), some staff have previously opted to join the Local Government Pension Scheme (LGPS) in accordance with the respective Admission Agreement with Essex County Council. The TCL LGPS scheme is currently closed to new members as dictated by the Admission Agreement.

For those staff who are not members of the LGPS, the Group complies with its statutory auto-enrolment duties in accordance with Part 1 of the Pensions Act 2008, where employees will be automatically enrolled into a defined contribution pension scheme from the date required by the Pensions Act 2008. Details are notified to each individual separately, including what he/she would need to do should they wish to opt out of membership. In this regard, the Group uses NEST to fulfil auto-enrolment obligations.

All staff, regardless of whether entitled/not entitled/eligible have the opportunity to join NEST on request. Furthermore, Thurrock Community Leisure (and the employee) pay contributions on total earnings, irrespective of age or earnings level. Employees can only be a member of one pension scheme.

Private Health Care - Historically, some of the senior management team have private health care arrangements, to ensure that any ill-health is treated promptly, enabling the individual to continue/return to work with minimum absence. All private health care is declared on a P11D and subject to tax in accordance with HMRC guidelines.

Use of Facilities by Employees - In order to promote health, fitness and wellbeing, employees may use the facilities free of charge, provided a paying member of the public is not prohibited from use because of an employee taking up space.

The Group apply a long service recognition scheme within which staff are recognised or rewarded for continuous service at 5, 10, 20, 30 and 40 years. The scheme is designed to reward long service and is for gifts at various values depending on the milestone reached. The scheme follows the guidance issued by HMRC on the values of the awards.

TCL/TCLT trustees are not paid for their work as a trustee.

Trustees can be reimbursed for reasonable out of pocket expenses. They may also be paid for undertaking special work for the charity, provided that this meets with the Charity Commission guidance 'Payments to Charity Trustees – What the Rules Are'. However, Thurrock Community Leisure will generally avoid engaging its trustees for work and will only do so where there is no suitable alternative supplier of that work.

Diversity

The board's approach to diversity supports its effectiveness and leadership, as such TCL wholeheartedly supports the principle of equal opportunities and diversity in employment and service provision and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origin, religion/belief, unrelated criminal convictions, gender, gender re-assignment, sexual orientation, marital status/civil partnership, age, or disability.

It is in TCL's best interests, and those of all who represent or work within it, to ensure the human resources, talents, and skills available throughout the organisation and community are considered when employment and or training opportunities arise or when the service-based decisions are made.

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Diversity - continued

Statistical reports are compiled once a whole recruitment and selection process is complete, these show the ethnic/national background, gender, age, religion/religious belief, and disability (if any) of all applications; those short-listed, and those offered employment. TCL monitor the declared diversity of its workforce.

TCL aims to have trustees and staff from different backgrounds, abilities, cultures, and genders as the inherent diversity of life experience is more likely to encourage debate, resulting in better decision making. The aim is that the workforce and Board reflect the community it serves.

The Board and staff undertake equal opportunity and diversity training.

Policy for employment of disabled persons

TCL is 'positive about disability' and operates a Guaranteed Interview Scheme (GIS).

TCL recognises that during employment a person's capability to carry out their duties may deteriorate. This can be for several reasons, the most common ones being that either the job changes over a period, or because of health changes (including developing a disability). Should this be the case, TCL will make every effort to ensure staff receive adequate training and supervision to reduce any impact. Informal meetings are used in the first instance with a view to resolving any issues. TCL will also consider the possibility of a transfer to more suitable work if this is possible. If issues persist TCL will normally seek a medical diagnosis and prognosis and with the benefit of this professional medical advice, consult with the employee to enable a decision to be made about the future, either in the current role or, where circumstances permit, in a more suitable role.

Where concerns about work arise due to the nature of a disability as defined under the Act, TCL will endeavour to make reasonable adjustments to work and/or working pattern wherever possible.

Employee Information

Employees are provided with information in a number of ways including, general electronic communication to personal email addresses, staff notice boards, staff newsletters, staff forums (2 times per annum per site), team briefings, staff satisfaction survey (once per annum) and one to one meetings where appropriate. These communications are used to provide employees with relevant information on matters of concern to them, common awareness of the financial and economic factors affecting TCL's performance and seek the employees' views about the business and how it might be improved.

TCL recognise the trade union Unite and staff can seek their advice and support where applicable. TCL consult with Unite in line with the recognition agreement in place.

Modern Slavery Act 2015

By virtue of its size TCL is not required to comply with all of the duties within the Act. However, TCL takes steps to prevent modern slavery and human trafficking in its business in accordance with the Act. TCL publishes its policy regarding modern slavery on its website.

FUNDRAISING

The TCL Group do not use professional fundraisers to raise funds. All of the income is derived from the main functions including, sales for facility use/hire, secondary spending, and grants for specified programmes. Occasionally TCL receive donations through online fundraising platforms, although at presents this a very minor source of income.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Thurrock Community Leisure Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THURROCK COMMUNITY LEISURE LIMITED GROUP

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF TRUSTEES RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

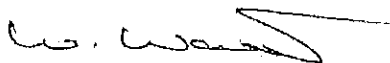
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting. Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28 September 2021 and signed on the board's behalf by:



.....
W Warner (Chair)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THURROCK COMMUNITY LEISURE LIMITED GROUP

Opinion

We have audited the financial statements of Thurrock Community Leisure Limited Group for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its Income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that the effects of the COVID-19 pandemic have had a detrimental impact on the trading results of the group and charitable company. As stated in note 1 these events or conditions, along with other matters as set forth in note 1 indicate that a material uncertainty exists which may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THURROCK COMMUNITY LEISURE LIMITED GROUP

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the group and charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and our experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and Charitable Company, including, but not limited to, the Companies Act (2006), UK tax legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THURROCK COMMUNITY LEISURE LIMITED GROUP**

We assessed the susceptibility of the Group's and Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed management contracts where contract variations had arisen;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the relevant regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees' and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of Our Report

This report is made solely to the group and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and charitable company and the group and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE
Date: 28 September 2021

THURROCK COMMUNITY LEISURE LIMITED GROUP

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds	Restricted funds	31.03.21 Total funds	Unrestricted funds	Restricted funds	31.03.20 Total funds
Notes	£	£	£	£	£	£	£
INCOME							
Donation Income	2	-	1,015,276	1,015,276	-	-	-
Charitable activities							
Leisure Centres	3	1,012,875	592,353	1,605,228	5,234,257	73,063	5,307,320
Civic Hall	3	11,051	-	11,051	435,137	-	435,137
Office and Cottage Rent	3	25,365	-	25,365	55,840	-	55,840
Other trading activities	4	48,420	-	48,420	160,969	-	160,969
Investments	5	12,405	-	12,405	37,716	-	37,716
Total Income		1,110,116	1,607,629	2,717,745	5,932,919	73,063	5,996,982
EXPENDITURE							
Raising funds	7	56,421	-	56,421	144,084	-	144,084
Charitable activities							
Leisure Centres	7	2,521,591	1,046,759	3,568,350	5,059,352	95,356	5,154,708
Civic Hall	7	120,524	-	120,524	546,078	-	546,078
Office and Cottage Rent	7	10,090	-	10,090	20,394	-	20,394
Trading activities	6	233,835	-	233,835	421,548	-	421,548
Total resources expended		2,942,461	1,046,759	3,989,220	6,191,456	95,356	6,286,812
Net income/(expenditure) for the year before other recognised gains and losses		(1,832,345)	560,870	(1,271,445)	(267,537)	(22,293)	(289,830)
Transfers between funds	20	-	-	-	(11,692)	11,692	-
Actuarial gains/(losses) on defined benefit pension scheme	21	(556,000)	-	(556,000)	(161,000)	-	(161,000)
Net movement in funds		(2,388,345)	560,870	(1,827,475)	(440,220)	(10,601)	(450,830)
RECONCILIATION OF FUNDS							
Total funds brought forward	20	2,916,708	-	2,916,708	3,356,937	10,601	3,367,538
TOTAL FUNDS CARRIED FORWARD	20	528,363	560,870	1,089,233	2,916,708	-	2,916,708

CONTINUING OPERATIONS

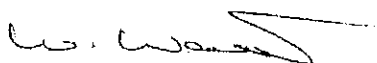
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BALANCE SHEETS
AT 31 MARCH 2021

	Note	The Group		The Charitable Company	
		31.03.21	31.03.20	31.03.21	31.03.20
		£	£	£	£
FIXED ASSETS					
Tangible assets	11	2,242,797	2,496,502	2,208,095	2,444,453
Investments	12	-	-	10,000	10,000
		<u>2,242,797</u>	<u>2,496,502</u>	<u>2,218,095</u>	<u>2,454,453</u>
CURRENT ASSETS					
Stocks	14	41,371	47,895	36,322	40,357
Debtors	15	734,847	96,361	731,783	117,145
Investments		-	89,063	-	89,063
Short term deposits		512,463	598,781	512,463	598,781
Cash at bank and in hand		<u>94,052</u>	<u>107,865</u>	<u>89,907</u>	<u>88,544</u>
		1,382,733	939,965	1,370,475	933,890
CREDITORS					
Amounts due <1 year	16	<u>(901,390)</u>	<u>(528,464)</u>	<u>(877,133)</u>	<u>(507,925)</u>
NET CURRENT ASSETS		<u>481,343</u>	<u>411,501</u>	<u>493,342</u>	<u>425,965</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,724,140	2,908,003	2,711,437	2,880,418
CREDITORS					
Amounts due >1 year	17	<u>(569,906)</u>	<u>(113,295)</u>	<u>(559,269)</u>	<u>(96,586)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		2,154,234	2,794,708	2,152,168	2,783,832
PENSION ASSET / (LIABILITY)	21	<u>(1,065,000)</u>	<u>122,000</u>	<u>(1,065,000)</u>	<u>122,000</u>
TOTAL NET ASSETS		<u>1,089,234</u>	<u>2,916,708</u>	<u>1,087,168</u>	<u>2,905,832</u>
FUNDS	20				
Restricted funds		560,870	-	560,870	-
Unrestricted funds:					
Designated funds		-	-	-	-
General funds		1,593,363	2,783,832	1,591,298	2,783,832
Non charitable trading funds		-	10,876	-	-
Pension reserve		<u>(1,065,000)</u>	<u>122,000</u>	<u>(1,065,000)</u>	<u>122,000</u>
Total unrestricted funds		528,363	2,916,708	526,298	2,905,832
TOTAL FUNDS		<u>1,089,233</u>	<u>2,916,708</u>	<u>1,087,168</u>	<u>2,905,832</u>

The financial statements were approved by the Board of Trustees on 28 September 2021 and were signed on its behalf by:



.....
W Warner (Chair)

The notes form part of these financial statements

THURROCK COMMUNITY LEISURE LIMITED GROUP**CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31.03.21 £	31.03.20 £
Cash flows from operating activities	1	<u>(402,022)</u>	<u>407,929</u>
Cash flows from investing activities			
Dividends, interest and rent from investments		12,405	37,716
Interest on 1 year bank accounts		-	(1,142)
Charity Bank account investment		-	-
Purchase of tangible fixed assets (Including HP)		-	<u>(277,644)</u>
Cash used on investing activities		<u>12,405</u>	<u>(241,070)</u>
Cash flows from financing activities			
Repayment of borrowing		(53,514)	(253,607)
Purchase of HP tangible fixed assets		-	25,697
New Loan		343,000	
Cash used in financing activities		<u>289,486</u>	<u>(227,910)</u>
Increase / (decrease) in cash and cash equivalents in the year		(100,131)	(61,051)
Cash and cash equivalents at the beginning of the year		706,646	767,697
Total cash and cash equivalents at the end of the year		<u>606,515</u>	<u>706,646</u>

The notes form part of these financial statements

THURROCK COMMUNITY LEISURE LIMITED GROUP

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.03.21	31.03.20
	£	£
Net incoming resources before other recognised gains and losses	(1,271,475)	(289,830)
Depreciation charges	246,807	343,973
Disposal	6,900	-
Reclassification of Charity Bank Account	89,064	-
Actuarial pension scheme charges	34,000	24,000
Loan write off bad debt	-	365,552
Dividends, interest and rent from investments	(12,405)	(37,716)
(Increase) / decrease in stocks	6,524	(3,119)
(Increase) / decrease in debtors	(438,486)	149,198
Increase / (decrease) in creditors	340,049	(144,129)
Pension liability acquired	597,000	-
Net cash Inflow from operating activities	(402,022)	407,929

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash Flow	At 31.3.21
Net Cash			
Cash at bank	706,646	(100,130)	606,515
Debt			
Finance Leases	(165,577)	53,514	(112,063)
Debts falling due within one year	-	(36,723)	(36,723)
Debts falling due after one year		(506,277)	(506,277)
Total	541,069	(589,616)	(48,548)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the group and charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary TCL Trading Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes to the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of Companies Act 2006.

The presentational currency of the financial statements is the Pound Sterling (£). Amounts included in the financial statements are rounded to the nearest Pound Sterling (£). The charity is an incorporated private company limited by guarantee without share capital and is registered with Companies House and Charity Commission. The charitable company's registered office and place of business are listed on Reference and Administrative Details page.

Going concern

Prior to the outbreak of Covid-19, the charitable company had adequate financial resources together with customers and strategic parties to continue trading at current levels. As a consequence, the Board of Trustees believed that the charitable company was well placed to manage its business risks successfully.

The outbreak of COVID-19, which commenced during the year ended 31 March 2020, has resulted in a pandemic causing extensive disruption across the globe. The COVID-19 pandemic developed rapidly in 2020 and continues in 2021. The resulting impact of the virus on the operations of the Group and charitable company and measures taken by the UK government to contain the virus have negatively affected the Group and charitable company's results in the current financial year. The currently known impacts of COVID-19 on the Group and charitable company are:

- A significant reduction in income throughout 2020 and 2021 as cases of COVID-19 began to rise in the United Kingdom.
- The closure of all leisure facilities in the United Kingdom by the UK government on 20 March 2020 which resulted in no income from primary purpose trading activities from 20 March 2020 through to the re-opening of leisure facilities, which was permitted in England from 25 July 2020.
- A reduction in income compared to previous years from re-opening due to the measures that are required to ensure our facilities are COVID secure. The required measures limit the services offered and capacity of leisure facilities.
- A further lockdown from 5 November 2020 to 2 December 2020.
- Restrictions continued on activities whilst Thurrock was in tier 4.
- A further nationwide lockdown from 5 January 2021 - 29 March 2021 forcing all facilities to close yet again.
- From April - June Government capacity, cleaning and social distancing restrictions remained in place.
- A full relaxation of forced legal covid restrictions were lifted in June 21 with the emphasis on Employers and individual taking appropriate precautions. However, the charitable company continued to operate with increased cleaning, ventilation and sanitising measures in response to customer feedback and to improve customer confidence. The Civic Hall and Café remained closed until later in the year.

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES – continued

Going concern - continued

- Income generation was also hindered through low levels of qualified resource to deliver activities such as swimming lessons and extended pool opening times. This has been a UK wide industry issue.
- The continuation of the Covid impact has resulted in an operating loss for the period since the balance sheet date.

The full extent of the impact of COVID-19 on the charitable company are still unknown, including:

- The impact of changes in customers' behaviour and confidence levels as a result of the continued existence of the pandemic in our society is currently unknown, and if customers do not or are slow to return to sites as anticipated, this will have a significant impact on projected revenue generation.
- The government continues to measure the spread of the virus and may use a tier system in future which may limit our activities.

It is not anticipated, that a further nationwide lockdown will be imposed.

In response to these matters, the group and charitable company has taken the following mitigating actions:

- They have taken and continue to take advantage of the Coronavirus Job Retention Scheme (CJRS).
- A grant of £25k was secured via Basildon Council under the Retail, Hospitality and Leisure Grant (RHLG) funding available from the Government
- They have negotiated a number of instalment arrangements including with HM Revenue & Customs for the payment of PAYE liabilities
- They worked with their local authority partner to secure financial support packages across a large part of the business for the closure period.
- They have continued to have hygiene measures in place at their gyms, pools, and fitness classes in line with coronavirus regulations
- Capacity restrictions are mitigated by being able to use the Civic Centre to hold classes, and bookable slots at the Gym.
- All visits to the facilities must be pre-booked
- Facilities are cashless
- They have negotiated a Coronavirus Business Interruption Loan of £543,000
- They have been successful in securing CJRS support of £1,015,276
- They have been successful in receiving all Local Restrictions grants for both Thurrock and Basildon
- They have introduced online virtual exercise classes to mitigate restrictions on face to face or limited capacities.
- They took advantage of 100% rates relief for the whole of 20/21

Group and Charitable Company-wide forecasts have been produced and are based on the UK Active and Industry recovery models, pre-covid trading and forecast projections. Management have carried out an extensive review of the underlying cost base of the business and have factored in changes and restructuring that have been implemented as a result in the impact of COVID-19 on the business which have been reflected in the forecasts..

These forecasts indicate that, with the Loans and National Leisure Recovery support and with careful cash management the Group and Charitable Company will remain within its financing facilities for the foreseeable future and will be able to meet its financial obligations as they fall due. The recovery and customer confidence on reopening has seen a positive reaction which support the forecasting recovery.

The economic climate and pandemic situation remain unstable, however. The Board of Trustees are confident that with the actions taken to reduce expenditure, coupled with the current levels of reserves that it can mitigate the uncertainties and remain a going concern for at least the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants receivable

Grants receivable in respect of a specified period relating to the general activities of the charitable company are recognised in the Statement of Financial Activities in the period in which they become receivable. Where related expenditure has not been incurred the grant is deferred only when the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use

Government grants

Government grants are recognised when it is reasonably certain that the conditions attached to the grant are met. Income from grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

During the year the Charitable Company received the following revenue based grants:

- Coronavirus Job Retention Scheme (CJRS) to cover a portion of employees' wages who were furloughed due to the coronavirus pandemic. The amount received has been included in donations (note 5).
- Local Restrictions Support Grant (LRSG) to support businesses during the lockdown from 5 January 2021. The amount received has been included in income (note 2).
- Social Investment Bank Grant (SIB) to contribute towards the recovery of businesses and to be spent on operating costs. The amount received has been included in income (note 2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to the activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following bases which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives, and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

- Cost of raising funds	1%
- Leisure centres	90%
- Civic Hall	8%
- Office and cottage rental	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £30,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	10-40 years
Assets on finance lease	over the length of the lease

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

Investment in subsidiary

Investment in the subsidiary is stated at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In general, cost is determined on a first in first out basis and includes transport and handling costs.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Hire purchase and leasing commitments

Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

Operating lease rental charges are charged on a straight line basis over the term of the lease.

Pension costs and other post-retirement benefits

The Charitable Company accounts for the pension scheme in accordance with the Financial Reporting Standard 102. The Charitable Company operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016.

The Charitable Company provides pension benefits for eligible staff through an Essex County Council administered pension scheme. The Essex County Council administered scheme is a multi-employer scheme which provides benefits based upon final pensionable pay. For defined benefit schemes the amounts charged to resources expended on charitable activities are the current service costs and any gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately if the benefits are vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities.

The defined benefit scheme is funded, and the assets of the scheme are held separately from those of the charity in a trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on long dated high quality corporate bonds of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Contributions made by the Charitable Company to defined contribution pension schemes are charged to the Statement of Financial Activities as they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

d) Trade and other creditors

Debt instruments like loans and other accounts payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES – continued

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

2. DONATION INCOME

	Unrestricted £	Restricted £	Total £	Total £
Donation Income	-	1,015,276	1,015,276	-

The Group received £1,015,276 (2020: £Nil) of grant funding from the government's Coronavirus Job Retention Scheme (CJRS).

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	31.03.21 Total £	31.03.20 Total £
Funding income	112,873	592,353	705,226	73,063
Leisure centres income	900,002	-	900,002	5,234,257
Sub-total for leisure centres	1,012,875	592,353	1,605,228	5,307,320
Civic Hall income	11,051	-	11,051	435,137
Sub-total for Civic Hall	11,051	-	11,051	435,137
Office and cottage rent	25,365	-	25,365	55,840
Total income from charitable activities	1,049,291	592,353	1,641,644	5,798,297

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	31.03.21 Total £	31.03.20 Total £
Golf club, shop and bar	48,420	-	48,420	160,969
	48,420	-	48,420	160,969

5. INCOME FROM INVESTMENTS

	Unrestricted £	Restricted £	31.03.21 Total £	31.03.20 Total £
Solar panel investment income	5,562	-	5,562	6,801
Interest receivable	6,843	-	6,843	30,915
	12,405	-	12,405	37,716

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2021**

6. TRADING ACTIVITY COSTS

			31.03.21	31.03.20
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Staff costs	160,937	-	160,937	211,134
Other trading costs	72,898	-	72,898	210,414
	<u>233,835</u>	<u>-</u>	<u>233,835</u>	<u>421,548</u>

7. ANALYSIS OF EXPENDITURE

		Charitable activities					31.03.21	31.03.20
	Cost of raising funds	Leisure centres	Civic hall	Office and cottage rent	Governance costs	Support Costs	Total	Total
	£	£	£	£	£	£	£	£
Staff costs	-	2,093,178	15,457	-	-	378,575	2,487,210	2,314,613
Promotion and publicity	46,331	-	-	-	-	-	46,331	123,690
Premises costs	-	422,228	16,950	-	-	296,862	736,040	1,393,706
Purchases for resale	-	50,267	555	-	-	-	50,882	336,272
Office administration costs	-	94,651	6,849	-	-	312,355	413,855	1,682,909
Audit and accountancy	-	-	-	-	11,450	-	11,450	9,139
Legal and professional	-	-	-	-	-	9,677	9,677	4,935
	<u>46,331</u>	<u>2,063,324</u>	<u>39,811</u>	<u>-</u>	<u>11,450</u>	<u>997,469</u>	<u>3,755,385</u>	<u>5,865,264</u>
Support costs	9,975	897,722	79,797	9,975	-	(997,469)	-	-
Governance costs	115	10,304	916	115	(11,450)	-	-	-
Total expenditure 2021	<u>56,421</u>	<u>3,568,350</u>	<u>120,524</u>	<u>10,090</u>	<u>-</u>	<u>-</u>	<u>3,755,385</u>	
Total expenditure 2020	<u>144,084</u>	<u>5,154,708</u>	<u>546,078</u>	<u>20,394</u>	<u>-</u>	<u>-</u>		<u>5,865,264</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

8. NET INCOME/(EXPENDITURE)

Net income / (expenditure) is stated after charging/(crediting):

	31.03.21	31.03.20
	£	£
Depreciation	246,807	343,973
Interest payable	3,876	1,180
Operating lease rentals	2,312	13,509
Auditors' remuneration		
- Audit fee (parent)	7,718	7,570
- Other services (parent)	3,732	1,569
- Audit fee (subsidiary)	2,995	2,950
- Other services	1,001	767

9. TRUSTEES' REMUNERATION AND BENEFITS

Trustees only receive remuneration in respect of the services they provide undertaking the roles of staff and not in respect of their services as Trustees. The value of Trustees' remuneration was as follows:

No charity trustee received payment in the year for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses

There were no payments or reimbursements of travel and subsistence costs paid in the year ended 2021 or 2020.

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

10. STAFF COSTS

	31.03.21	31.03.20
	£	£
Wages and salaries	1,799,670	2,254,761
Social security costs	102,950	125,701
Employer's contribution to defined contribution pension schemes	32,527	41,285
Employer's contribution to defined benefit pension schemes	680,000	80,000
Operating cost of defined benefit pension schemes	<u>33,000</u>	<u>24,000</u>
	<u>2,648,147</u>	<u>2,525,747</u>

The total employee benefits including pension contributions of the key management personnel was £193,211 (2020: £237,180).

The average monthly number of employees during the year was as follows:

	31.03.21	31.03.20
Leisure centres	134	160
Civic hall	7	16
Other trading activities	5	17
SMT	3	-
Support	<u>7</u>	<u>8</u>
	<u>155</u>	<u>201</u>

No employees received emoluments in excess of £60,000.

11. TANGIBLE FIXED ASSETS

The Group	Improvements to leasehold property £	Plant and machinery £	Totals £
COST			
At 1 April 2020	4,704,930	988,280	5,693,210
Additions	-	-	-
Disposals	<u>(6,900)</u>	<u>-</u>	<u>(6,900)</u>
At 31 March 2021	<u>4,698,030</u>	<u>988,280</u>	<u>5,686,310</u>
DEPRECIATION			
At 1 April 2020	2,389,813	806,895	3,196,708
Charge for year	173,748	73,059	246,807
Disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>2,563,561</u>	<u>879,954</u>	<u>3,443,515</u>
NET BOOK VALUE			
At 31 March 2021	<u>2,134,469</u>	<u>108,326</u>	<u>2,242,797</u>
At 31 March 2020	<u>2,315,117</u>	<u>181,385</u>	<u>2,496,502</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

11. TANGIBLE FIXED ASSETS – continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

The Group	Plant and machinery £
COST	
At 1 April 2020	525,764
Additions	-
Transfer to ownership	<u>(253,453)</u>
At 31 March 2021	<u>272,311</u>
DEPRECIATION	
At 1 April 2020	344,379
Charge for year	73,059
Transfer to ownership	<u>(253,453)</u>
At 31 March 2021	<u>163,985</u>
NET BOOK VALUE	
At 31 March 2021	<u>108,326</u>
At 31 March 2020	<u>181,385</u>

The Charitable Company	Improvements to leasehold property £	Plant and Machinery £	Totals £
COST			
At 1 April 2020	4,554,263	860,189	5,414,452
Additions	-	-	-
Disposals	<u>(6,900)</u>	<u>-</u>	<u>(6,900)</u>
At 31 March 2021	<u>4,547,363</u>	<u>860,189</u>	<u>5,407,552</u>
DEPRECIATION			
At 1 April 2020	2,260,182	709,817	2,969,999
Charge for year	170,303	59,157	229,460
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>2,430,485</u>	<u>768,974</u>	<u>3,199,459</u>
NET BOOK VALUE			
At 31 March 2021	<u>2,116,878</u>	<u>91,215</u>	<u>2,208,095</u>
At 31 March 2020	<u>2,294,081</u>	<u>150,372</u>	<u>2,444,453</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****11. TANGIBLE FIXED ASSETS – continued**

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

The Charitable Company	Plant and machinery £
COST	
At 1 April 2020	413,801
Additions	-
Transfer to ownership	(167,187)
At 31 March 2021	246,614
DEPRECIATION	
At 1 April 2020	263,429
Charge for year	59,157
Transfer to ownership	(167,187)
At 31 March 2021	155,399
NET BOOK VALUE	
At 31 March 2021	91,215
At 31 March 2020	150,372

12. FIXED ASSET INVESTMENTS

The Group	Solar Panels £	Totals £
COST		
At 1 April 2020	58,813	58,813
Disposals	(58,813)	(58,813)
	-	-
AMORTISATION		
At 1 April 2020	58,813	58,813
Eliminated on disposal	(58,813)	(58,813)
At 31 March 2021	-	-
NET BOOK VALUE		
At 31 March 2021	-	-
At 31 March 2020	-	-

TCL investments related to an investment by TCL in solar panels installed on the roof of WCRA, which was operated by Adur Community Leisure Limited, a subsidiary of TCL's parent company Impulse Leisure. Previously TCL have had the rights to the asset, and any future economic benefits in the form of electricity feed in tariffs. However, disposal of the solar panels has occurred in the year ended 31 March 2021 due to the dissolution of Adur Community Leisure and Impulse Leisure.

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**
FOR THE YEAR ENDED 31 MARCH 2021**12. FIXED ASSET INVESTMENTS – continued**

The Charitable Company	Solar Panels	Shares in group undertakings £	Totals £
COST			
At 1 April 2020	58,813	10,000	68,813
Disposals	<u>(58,813)</u>	<u>-</u>	<u>(58,813)</u>
At 31 March 2021	<u>58,813</u>	<u>10,000</u>	<u>68,813</u>
AMORTISATION			
At 1 April 2020	58,813	-	58,813
Eliminated on disposal	<u>(58,813)</u>	<u>-</u>	<u>(58,813)</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE			
At 31 March 2021	<u>-</u>	<u>10,000</u>	<u>10,000</u>
At 31 March 2020	<u>-</u>	<u>10,000</u>	<u>10,000</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****12. FIXED ASSET INVESTMENTS – continued**

The company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary**TCL Trading Limited**

Nature of business: Golf shop, bar, catering, maintenance services

	%
Class of share:	holding
Ordinary share capital	100

The charitable company owns the whole of the issued shares of TCL Trading Limited, a company registered in England which became operable from 1 October 2003. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line bases in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	31.03.21 £	31.03.20 £
Turnover	225,027	434,216
Cost of sales	<u>(73,417)</u>	<u>(151,084)</u>
Gross profit	151,610	283,132
Administrative expenses	<u>(160,419)</u>	<u>(280,464)</u>
Operating profit / (loss)	(8,809)	2,668
Other income	-	-
Interest payable	<u>-</u>	<u>-</u>
Profit / (loss) on ordinary activities	(8,809)	2,668
Deed of covenant to parent undertaking	<u>-</u>	<u>-</u>
Profit / (loss) for the financial year	<u>(8,809)</u>	<u>2,668</u>

The aggregate of the assets, liabilities and funds was:

Assets	58,340	85,660
Liabilities	(46,273)	(64,784)
Share Capital	<u>(10,000)</u>	<u>(10,000)</u>
Funds	2,067	10,876

13. PARENT CHARITABLE COMPANY

The parent charitable company's gross income and the results for the year are disclosed as follows:

	31.03.201 £	31.03.20 £
Gross income	2,607,531	5,846,013
Net result for the year	<u>(1,818,663)</u>	<u>(453,499)</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

14. STOCKS

	The group		The charitable company	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
Stocks	<u>41,371</u>	<u>47,895</u>	<u>36,322</u>	<u>40,357</u>

15. DEBTORS

	The group		The charitable company	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Other debtors	95,145	41,297	95,144	41,296
Amounts due from other group members	-	19,142	-	39,927
Prepayments and accrued income	637,625	35,922	636,639	35,922
Taxation	<u>2,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>734,847</u>	<u>96,361</u>	<u>731,783</u>	<u>117,145</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The charitable company	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
Trade creditors	270,382	111,346	260,667	106,946
Loans	36,723	-	36,723	-
Accruals and deferred income	372,758	313,713	355,173	301,157
VAT payable	-	8,063	5,279	12,521
Lease liability	48,434	52,282	42,362	44,493
Social Security and other taxes	58,130	26,432	58,130	26,432
Other creditors	114,963	16,628	112,699	16,376
Amounts due to other group members	<u>-</u>	<u>-</u>	<u>6,100</u>	<u>-</u>
	<u>901,390</u>	<u>528,464</u>	<u>877,133</u>	<u>507,925</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	The group		The charitable company	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
Lease liabilities due 2 – 5 years	63,629	113,295	52,992	96,586
Loan liabilities due 2 – 5 years	<u>506,277</u>	<u>-</u>	<u>506,277</u>	<u>-</u>
	<u>569,906</u>	<u>113,295</u>	<u>559,269</u>	<u>96,586</u>

The charity have a charge with National Westminster Bank PLC which is secured on charity's assets and commence in June 2002. The charge is specifically for the Direct Debit membership collections, in the case of members requesting money back.

The charity also have charge against a loan with Social Investment Business FM Limited which is secured on the charity's assets and commenced in March 2021. The loan was repayable over 5 years in Instalments. Interest was chargeable at 9% in year 1, and 7% in subsequent years.

18. OPERATING LEASE COMMITMENTS

The group's minimum lease payments under non-cancellable operating leases fall due as follows:

Equipment	31.03.21	31.03.20
	£	£
Within one year	4,663	4,011
Between one and five years	<u>2,625</u>	<u>6,388</u>
	<u>7,288</u>	<u>10,399</u>

The charitable company's minimum lease payments under non-cancellable operating leases fall due as follows:

Equipment	31.03.21	31.03.20
	£	£
Within one year	3,733	3,081
Between one and five years	<u>2,595</u>	<u>6,328</u>
	<u>6,328</u>	<u>9,409</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			31.03.21	31.03.20
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	2,242,797	-	2,242,797	2,496,502
Investments	-	-	-	89,063
Current assets	821,863	560,870	1,382,733	850,902
Current liabilities	(901,390)	-	(901,390)	(528,464)
Long term liabilities	(569,906)	-	(569,906)	(113,295)
Pension asset / (liability)	(1,065,000)	-	(1,065,000)	122,000
	<u>528,364</u>	<u>560,870</u>	<u>1,089,234</u>	<u>2,916,708</u>

Analysis of net assets between funds – previous year

			31.03.20	31.03.19
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	2,496,502	-	2,496,502	2,562,831
Investments	89,063	-	89,063	87,921
Current assets	850,902	-	850,902	1,423,584
Current liabilities	(528,464)	-	(528,464)	(870,076)
Long term liabilities	(113,295)	-	(113,295)	(143,722)
Pension asset / (liability)	122,000	-	122,000	307,000
	<u>2,916,708</u>	<u>-</u>	<u>2,916,708</u>	<u>3,367,538</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

20. MOVEMENT IN FUNDS

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and gains £	At the end of the year £
Restricted funds:					
Leisure Centre	-	1,607,629	(1,046,759)	-	560,870
Total restricted funds	-	1,607,629	(1,046,759)	-	560,870
Unrestricted funds:					
Designated funds	-	-	-	-	-
General funds of TCL	2,783,832	885,089	(2,077,626)	-	1,591,295
General funds of TCL Trading	10,876	225,027	(233,835)	-	2,068
Total general funds	2,794,708	1,110,116	(2,311,461)	-	1,593,363
Pension fund	122,000	-	(631,000)	(556,000)	(1,065,000)
Total unrestricted funds	2,916,708	1,110,116	(2,942,461)	(556,000)	528,363
Total funds including pension fund	2,916,708	2,717,745	(3,989,220)	(556,000)	1,089,233

Purposes of designated funds

The pension fund covers the actuarial valuation of the pension scheme

Movement in Funds – Previous year

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and gains £	At the end of the year £
Restricted funds:					
Leisure Centre	10,601	73,063	(95,356)	11,692	-
Total restricted funds	10,601	73,063	(95,356)	11,692	-
Unrestricted funds:					
Designated pension fund	250,000	-	-	(250,000)	-
General funds of TCL	2,971,730	5,489,703	(5,735,909)	238,308	2,783,832
General funds of TCL Trading	8,207	434,216	(431,547)	-	10,876
Total general funds	3,049,937	5,923,919	(6,167,456)	(11,692)	2,794,708
Pension fund	307,000	-	(24,000)	(161,000)	122,000
Total unrestricted funds	3,356,937	5,923,919	(6,191,456)	(172,692)	2,916,708
Total funds including pension fund	3,367,538	5,996,982	(6,286,812)	(161,000)	2,916,708

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****20. MOVEMENT IN FUNDS – continued****Purposes of restricted funds**

Restricted funds of £560,870 have been carried forward this year. This balance consists of £9,720 National Lottery Community Funding, £4,150 Grub Club Income via Active Essex and £390,000 National Leisure Recovery Fund (NLRF) and £157,000 Social Invest Bank (SIB) Grants.

Purposes of designated funds

The pension fund covers the actuarial valuation of the pension scheme.

21. EMPLOYEE BENEFIT OBLIGATIONS

Employees of Thurrock Community Leisure are admitted to the Essex County Council Pension Fund, a defined benefit scheme which is administered by Essex County Council under the regulations governing the Local Government Pension Scheme. The deficit on the pension scheme does not represent a liability that will crystallise at any single point in time. The calculation can also be very sensitive to the actuarial assumptions used in valuing the scheme. The figures disclosed below have been derived by approximate methods from the last full actuarial valuation of the fund carried out by Mercer Human Resource Consulting Ltd as at 31 March 2016.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
	£	£
Present value of funded obligations	(9,084,000)	(3,751,000)
Fair value of plan assets	8,019,000	3,873,000
	<u>(1,065,000)</u>	<u>122,000</u>
Surplus / (Deficit)	<u>(1,065,000)</u>	<u>122,000</u>
Asset / (Liability)	<u>(1,065,000)</u>	<u>122,000</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
	£	£
Current service cost	109,000	112,000
Net interest from net defined benefit asset/liability	(246,000)	(216,000)
	<u>(137,000)</u>	<u>(104,000)</u>
Actual return on plan assets	<u>1,425,000</u>	<u>(311,000)</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****21. EMPLOYEE BENEFIT OBLIGATIONS – continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
	£	£
Opening defined benefit obligation	3,751,000	3,701,000
Current service cost	109,000	108,000
Past service cost	-	4,000
Contributions by scheme participants	25,000	22,000
Interest cost	142,000	95,000
Liabilities assumed (extinguished) on settlements	3,130,000	-
Actuarial losses/(gains)	2,056,000	8,000
Change in demographic assumptions	(75,000)	(57,000)
Benefits paid	(54,000)	(130,000)
Actuarial (gains)/losses from changes in demographic assumptions	-	-
	<u>9,084,000</u>	<u>3,751,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
	£	£
Opening fair value of scheme assets	3,873,000	4,008,000
Interest on assets	137,000	104,000
Administration expenses	(2,000)	(1,000)
Contributions by employer	83,000	80,000
Contributions by scheme participants	25,000	22,000
Expected return	1,425,000	(311,000)
Actuarial gains/(losses)	-	101,000
Settlement prices received (paid)	2,533,000	-
Benefits paid	(54,000)	(130,000)
	<u>8,019,000</u>	<u>3,873,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	75,000	57,000
Actuarial gains/(losses)	<u>(631,000)</u>	<u>(218,000)</u>
	<u>(556,000)</u>	<u>(161,000)</u>

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021

21. EMPLOYEE BENEFIT OBLIGATIONS – continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.03.21	31.03.20
Equities	63%	59%
Gilts	3%	4%
Other bonds	5%	6%
Property	7%	9%
Cash	3%	4%
Other managed funds	8%	6%
Alternative assets	11%	12%
Asset breakdown	31.03.21	31.03.20
	£000s	£000s
Equities	5,073	2,267
Gilts	204	167
Other bonds	390	235
Property	565	348
Cash	202	161
Other managed funds	663	249
Alternative assets	922	446
	8,019	3,873

Projected employer contributions for the year ending 31 March 2022 are £101,000.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.3.21	31.3.20
Discount rate	2.05%	2.45%
Future salary increases	2.00%	2.00%
Future pension increases	2.80%	1.85%

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate			
	+0.1%	0.0%	-0.1%
Present value of total obligation	8,867,000	9,084,000	9,306,000
Projected service cost	198,000	205,000	212,000
Adjustment to long term salary increase			
	+0.1%	0.0%	-0.1%
Present value of total obligation	9,100,000	9,084,000	9,068,000
Projected service cost	205,000	205,000	205,000
Adjustment to pension increases and deferred revaluation			
	+0.1%	0.0%	-0.1%
Present value of total obligation	9,289,000	9,084,000	8,884,000
Projected service cost	212,000	205,000	198,000
Adjustment to life expectancy assumptions			
	+1 year	None	-1 year
Present value of total obligation	9,494,000	9,084,000	8,692,000
Projected service cost	214,000	205,000	196,000

THURROCK COMMUNITY LEISURE LIMITED GROUP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED **FOR THE YEAR ENDED 31 MARCH 2021**

21. EMPLOYEE BENEFIT OBLIGATIONS – continued

In addition to the projected employer contributions, the deficit reduction planned payments for 2020/21 are £5,225.

22. ULTIMATE PARENT COMPANY

The ultimate parent company in prior years was Impulse Leisure Limited, company registration number 05220291. However, due to the dissolution of the company on 17 August 2020, the company ceased to be the ultimate parent. The parent's principal purposes related to the management of its charitable subsidiaries. The parent exercised control through its right to appoint or remove a majority of the board of trustees of the charitable company.

23. RELATED PARTY TRANSACTIONS

Thurrock Community Leisure Limited (TCL) owns 100% shares of TCL Trading Ltd (TCLT). During the year following transactions occurred between the group companies:

TCLT:

During the year, TCL paid commission of £19,924 (2020: £35,458) and management charge of £94,889 (2020: £237,789) to TCLT for management of golf club and shop. TCL charged a management fee of £Nil to TCLT (2020: £10,000).

At the year end, TCLT were owed £6,100 (2020: £20,407 owed to TCL) by TCL.

Trustees' remuneration and expenses are disclosed in note 9.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

24. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

25. POST BALANCE SHEET EVENTS

The worldwide outbreak of COVID-19 resulted in the UK Government requiring the British public to enter a number of national and regional lockdowns during the year. Following the year end the government have now permitted leisure centres, gyms and indoor pools to reopen on 12 April 2021. The number of people able to attend weddings, receptions and commemorative events rose to 15.

From 17 May 2021 further restrictions were lifted to allow indoor adult group sports and exercise classes. It has also allowed the number of people to attend weddings, receptions and commemorative events to rise to 30.

Finally, on 19 July 2021 all remaining restrictions that had been in place through the pandemic were lifted.

The continued existence of COVID-19 in our society, which may have an impact on the behaviours of the group's customers is as of yet unknown.